CONSUMER PRICE

INDEX

REPORT

AUGUST 2007

MANITOBA
BUREAU OF STATISTICS

RIGHT ANSWERS
RIGHT NOW

September 19, 2007

2008-06080/

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CONSUMER PRICE INDEX – AUGUST 2007

	PERCENT CHANGE - ALL ITEMS INDEX	
	AUGUST 07/AUGUST 06	AUGUST 07/ JULY 07
MANITOBA	1.4	-0.8
CANADA	1.7	-0.3

The Manitoba all items index rose 1.4% in August 2007 compared with August 2006, down from the July annual rate of 2.2%. Canada's annual rate of price increase in August was 1.7%, down from its July rate of 2.2%.

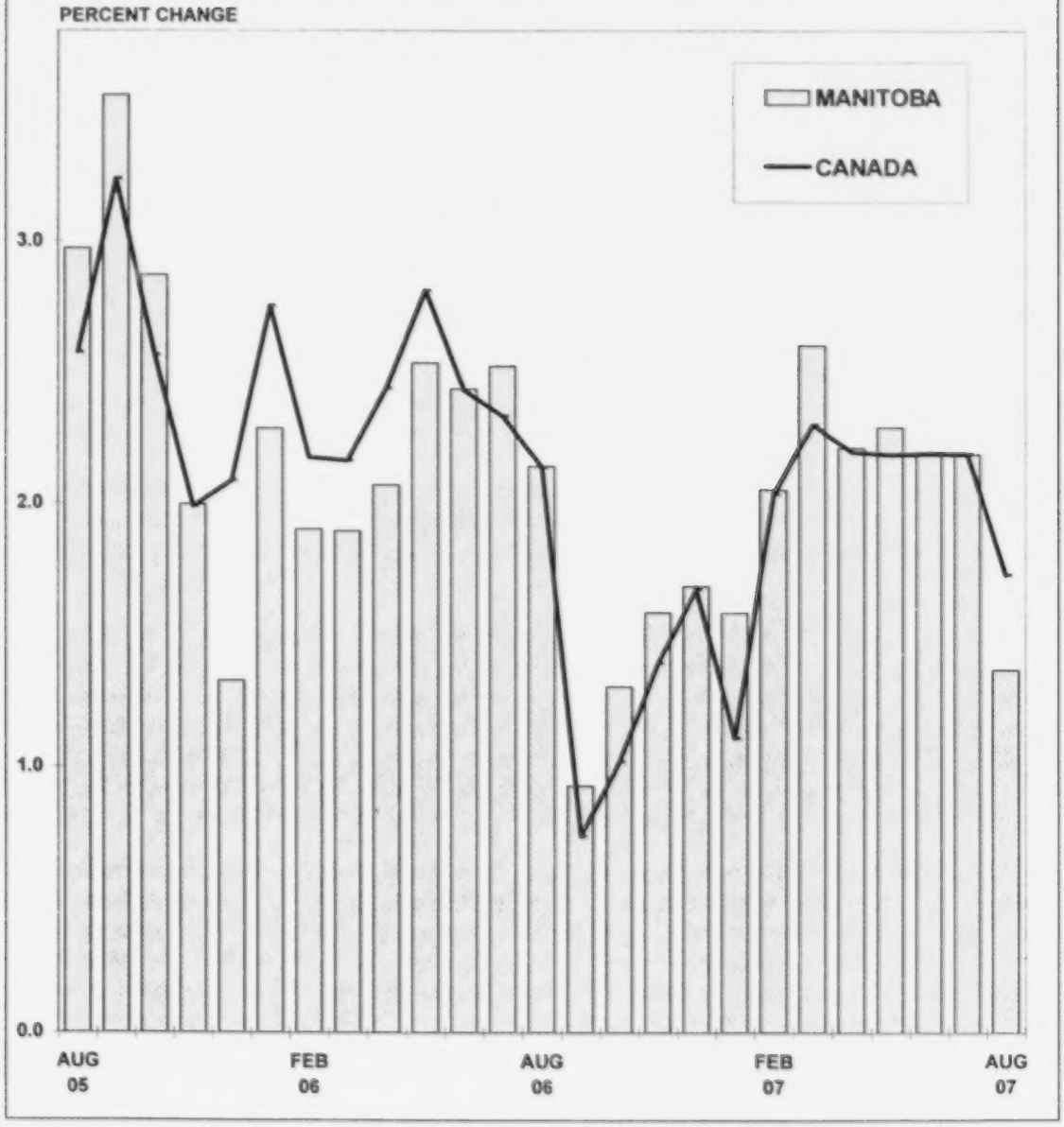
Chart 1 presents a summary of price changes for Manitoba and Canada over the last two years. The method of calculation shown in Chart 1 is the most widely used, and is often referred to by the media as the **"inflation rate"**. It is based on the percent change between the current month and the same month the previous year.

Manitoba's annual inflation rate of 1.4% in August was fourth highest among the provinces. Alberta recorded the highest increase at 4.7%, while Newfoundland and Labrador recorded the lowest rate at 0.2%. The Winnipeg all items increase was 1.5% in August, down from an annual rate of 2.2% in July.

Between August 2006 and August 2007, Manitoba saw lower prices for gasoline, recreational equipment and services (excluding recreational vehicles), home entertainment equipment, parts and services, women's clothing, fresh vegetables, passenger vehicle insurance premiums, as well as pet food and supplies. These declines were offset by higher prices for mortgage interest cost, replacement cost, cablevision and satellite services (including pay television), food purchased from restaurants, other owned accommodation expenses, passenger vehicle parts, maintenance and repairs, and homeowners' home and mortgage insurance.

On a monthly basis, the Manitoba all-items index was down -0.8% in August, down from the 0.4% increase in July. Prices were lower last month for gasoline, women's clothing, purchase and leasing of passenger vehicles, fresh vegetables, natural gas, personal care supplies and equipment, as well as fresh or frozen beef. These declines were partially offset by increases in mortgage interest cost, other owned accommodation expenses, footwear, alcoholic beverages served in licensed establishments, inter-city transportation, traveller accommodation, and replacement cost. Prices at the national level decreased by -0.3% in August, down from the 0.1% increase in July.

CHART 1. CONSUMER PRICE INDEX
MONTHLY INFLATION RATE
MANITOBA AND CANADA



DATA SOURCE: STATISTICS CANADA
MANITOBA BUREAU OF STATISTICS

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CHART 2. CONSUMER PRICE INDICES
PERCENT CHANGE FROM AUG 06 TO AUG 07
ALL ITEMS: CANADA AND PROVINCES

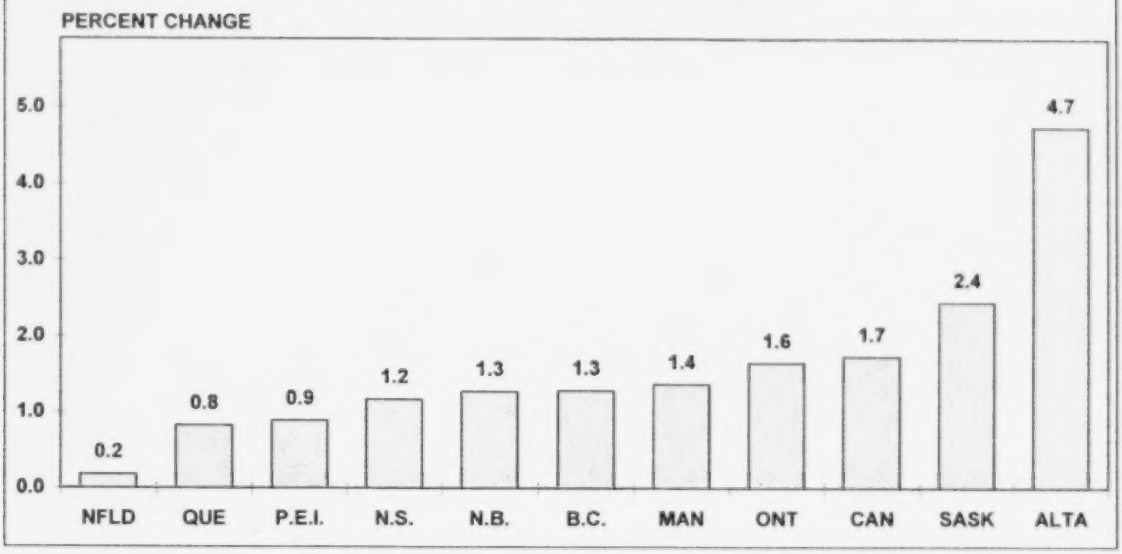
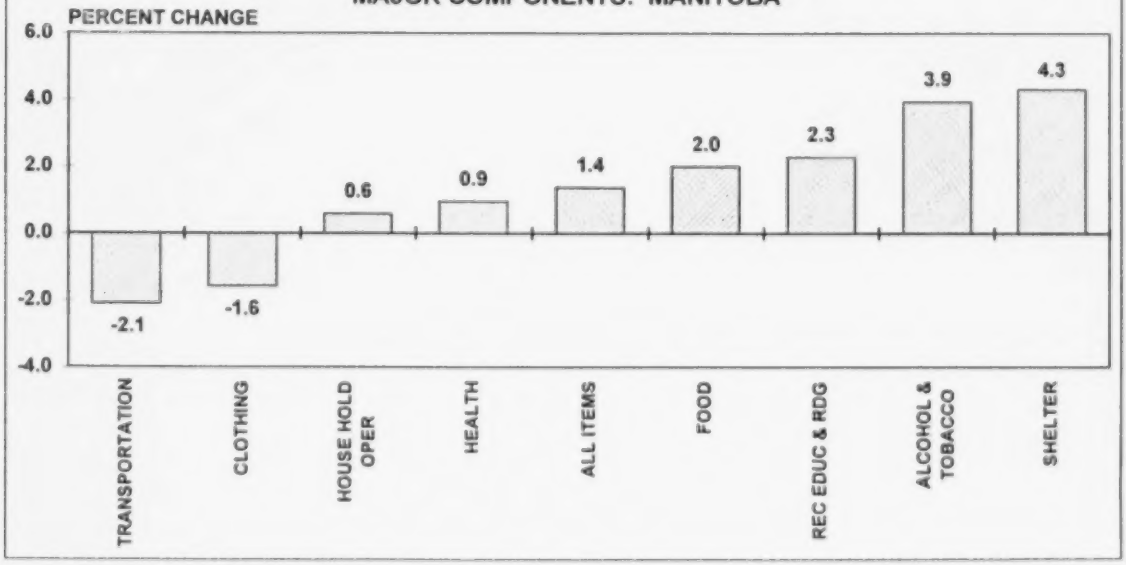


CHART 3. CONSUMER PRICE INDICES
PERCENT CHANGE FROM AUG 06 TO AUG 07
MAJOR COMPONENTS: MANITOBA



DATA SOURCE: STATISTICS CANADA
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TABLE 1: CONSUMER PRICE INDICES FOR AUGUST 2007

(2002 = 100)

	MANITOBA					CANADA				
	AUG 07	JUL 07	PERCENT CHANGE	AUG 06	PERCENT CHANGE	AUG 07	JUL 07	PERCENT CHANGE	AUG 06	PERCENT CHANGE
MAIN COMPONENTS:										
ALL ITEMS	111.2	112.1	-0.8	109.7	1.4	111.7	112.0	-0.3	109.8	1.7
FOOD	112.7	113.5	-0.7	110.5	2.0	111.8	112.3	-0.4	109.2	2.4
SHELTER	115.9	115.7	0.2	111.1	4.3	117.6	117.0	0.5	113.5	3.6
HOUSEHOLD OPERATIONS AND FURNISHINGS	104.2	104.5	-0.3	103.6	0.6	103.5	103.2	0.3	101.7	1.8
CLOTHING AND FOOTWEAR	93.3	95.8	-2.6	94.8	-1.6	95.4	94.6	0.8	95.4	0.0
TRANSPORTATION	116.4	119.2	-2.3	118.9	-2.1	116.3	118.5	-1.9	118.0	-1.4
HEALTH AND PERSONAL CARE	106.6	107.2	-0.6	105.6	0.9	107.6	107.5	0.1	105.5	2.0
RECREATION, EDUCATION AND READING	103.3	103.4	-0.1	101.0	2.3	102.9	103.0	-0.1	101.2	1.7
TOBACCO AND ALCOHOL	126.7	126.0	0.6	121.9	3.9	126.1	126.0	0.1	121.8	3.5
SPECIAL AGGREGATES:										
ALL ITEMS EXCL. FOOD	110.9	111.7	-0.7	109.5	1.3	111.7	111.9	-0.2	109.9	1.6
ALL ITEMS EXCL. FOOD AND ENERGY	108.0	108.3	-0.3	105.9	2.0	109.2	109.1	0.1	106.8	2.2
ENERGY	137.4	143.2	-4.1	143.0	-3.9	136.4	139.6	-2.3	141.7	-3.7
GOODS	108.8	110.6	-1.6	109.6	-0.7	107.7	108.6	-0.8	108.1	-0.4
SERVICES	113.9	113.6	0.3	109.8	3.7	115.6	115.3	0.3	111.4	3.8

DATA SOURCE: STATISTICS CANADA

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TABLE 2: CONSUMER PRICE INDICES FOR AUGUST 2007

(2002 = 100)

	ALL ITEMS					FOOD				
	AUG 07	JUL 07	PERCENT CHANGE	AUG 06	PERCENT CHANGE	AUG 07	JUL 07	PERCENT CHANGE	AUG 06	PERCENT CHANGE
MANITOBA	111.2	112.1	-0.8	109.7	1.4	112.7	113.5	-0.7	110.5	2.0
WESTERN PROVINCES										
SASKATCHEWAN	113.1	113.3	-0.2	110.4	2.4	111.7	111.7	0.0	109.8	1.7
ALBERTA	119.3	119.1	0.2	113.9	4.7	112.0	112.4	-0.4	108.5	3.2
BRITISH COLUMBIA	110.4	110.5	-0.1	109.0	1.3	109.8	109.7	0.1	107.0	2.6
EASTERN PROVINCES										
ONTARIO	110.9	111.1	-0.2	109.1	1.6	111.9	112.2	-0.3	109.0	2.7
QUEBEC	110.1	110.6	-0.5	109.2	0.8	112.5	114.0	-1.3	110.4	1.9
MARITIME PROVINCES										
NEW BRUNSWICK	111.4	112.1	-0.6	110.0	1.3	113.9	114.4	-0.4	111.1	2.5
NOVA SCOTIA	112.7	113.0	-0.3	111.4	1.2	114.7	114.5	0.2	112.1	2.3
PRINCE EDWARD ISLAND	113.8	114.0	-0.2	112.8	0.9	114.7	114.3	0.3	111.5	2.9
NEWFOUNDLAND/LABRADOR	111.1	111.6	-0.4	110.9	0.2	109.7	110.3	-0.5	108.3	1.3
* MANITOBA RANK			1		7			2		4

DATA SOURCE: STATISTICS CANADA

MANITOBA BUREAU OF STATISTICS

* Ranking is done in ascending order from the lowest to the highest

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TABLE 3: PERCENT CHANGE COMPARISONS, MANITOBA AND CANADA

(AS OF AUGUST 2007)

	(1) CHANGE FROM SAME MONTH LAST YEAR		(2) CURRENT ANNUAL RATE OF CHANGE		(3) 12 - MONTH ANNUAL RATE	
MAIN COMPONENTS	MANITOBA	CANADA	MANITOBA	CANADA	MANITOBA	CANADA
ALL ITEMS	1.4	1.7	-1.8	-1.4	1.8	1.7
FOOD	2.0	2.4	0.4	-2.5	4.0	3.1
SHELTER	4.3	3.6	3.2	5.6	3.2	3.2
HOUSEHOLD OPERATIONS AND FURNISHINGS	0.6	1.8	0.4	2.0	0.2	0.7
CLOTHING AND FOOTWEAR	-1.6	0.0	-17.5	-2.5	0.1	-0.4
TRANSPORTATION	-2.1	-1.4	-10.6	-13.8	0.1	0.1
HEALTH AND PERSONAL CARE	0.9	2.0	-0.4	0.7	0.6	1.3
RECREATION, EDUCATION AND READING	2.3	1.7	3.2	2.8	1.5	0.5
TOBACCO AND ALCOHOL	3.9	3.5	5.9	2.9	2.8	2.7
SPECIAL AGGREGATES:						
ALL ITEMS EXCL. FOOD	1.3	1.6	-2.1	-1.1	1.4	1.4
ALL ITEMS EXCL. FOOD AND ENERGY	2.0	2.2	-0.7	0.7	1.8	1.9
ENERGY	-3.9	-3.7	-13.8	-14.9	-1.7	-2.0
GOODS	-0.7	-0.4	-7.4	-6.8	0.7	0.1
SERVICES	3.7	3.8	4.3	3.9	3.1	3.2

DATA SOURCE: STATISTICS CANADA

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NOTE: THERE ARE SEVERAL WAYS TO MEASURE THE ANNUAL PERCENT CHANGE OF THE CONSUMER PRICE INDEX, COMMONLY REFERRED TO AS THE INFLATION RATE. THE ABOVE TABLE PRESENTS THREE DIFFERENT METHODS:

(1) THE MOST COMMONLY USED METHOD OF REPORTING THE INFLATION RATE, BASED ON PERCENT CHANGE FROM THE SAME MONTH ONE YEAR AGO.

(2) PROVIDES A MEASURE OF THE CURRENT ANNUAL RATE OF INFLATION. THE GROWTH RATE OVER THE PRECEEDING THREE MONTHS IS CALCULATED AND THEN COMPOUNDED AT AN ANNUAL RATE. IT SHOULD BE NOTED THAT THESE CALCULATIONS HAVE NOT BEEN SEASONALLY-ADJUSTED.

(3) COMPARES THE AVERAGE OF THE 12 MONTHS ENDING THIS MONTH WITH THE AVERAGE OF THE 12 MONTHS ENDING ONE YEAR EARLIER.

TABLE 4: CONSUMER PRICE INDICES FOR AUGUST 2007: ALL ITEMS

(2002 = 100)

	AUG 07	JUL 07	PERCENT CHANGE	(1) CHANGE FROM SAME MONTH LAST YEAR	(2) 12 - MONTH ANNUAL RATE
WINNIPEG	111.1	111.9	-0.7	1.5	1.9
WESTERN CITIES					
REGINA	112.2	112.5	-0.3	1.9	2.0
SASKATOON	114.1	114.1	0.0	3.4	2.3
CALGARY	119.3	119.1	0.2	4.3	5.3
EDMONTON	119.1	118.8	0.3	5.4	4.0
VANCOUVER	110.6	110.7	-0.1	1.7	2.2
VICTORIA	110.0	110.1	-0.1	0.6	1.2
EASTERN CITIES					
THUNDER BAY	108.3	108.6	-0.3	1.0	0.7
TORONTO	110.6	110.7	-0.1	1.9	1.3
OTTAWA	110.9	111.1	-0.2	1.7	1.3
MONTREAL	110.0	110.5	-0.5	1.0	1.2
QUEBEC	109.8	110.4	-0.5	0.5	0.9
MARITIME CITIES					
SAINT JOHN, N.B.	111.4	112.1	-0.6	1.3	0.8
HALIFAX	112.2	112.4	-0.2	1.4	1.4
CHARLOTTETOWN	113.3	113.4	-0.1	1.1	1.2
ST. JOHN'S, NFLD	110.7	111.1	-0.4	0.3	1.0
* WINNIPEG RANK (OUT OF 16 CITIES)			1	9	11

DATA SOURCE: STATISTICS CANADA

MANITOBA BUREAU OF STATISTICS

* Ranking is done in ascending order from the lowest to the highest

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NOTE: THERE ARE SEVERAL WAYS TO MEASURE THE ANNUAL PERCENT CHANGE OF THE CONSUMER PRICE INDEX, COMMONLY REFERRED TO AS THE INFLATION RATE. THE ABOVE TABLE PRESENTS TWO DIFFERENT METHODS:

(1) THE MOST COMMONLY USED METHOD OF REPORTING THE INFLATION RATE, BASED ON PERCENT CHANGE FROM THE SAME MONTH ONE YEAR AGO.

(2) COMPARES THE AVERAGE OF THE 12 MONTHS ENDING THIS MONTH WITH THE AVERAGE OF THE 12 MONTHS ENDING ONE YEAR EARLIER.